

**MINUTES OF THE  
CALIFORNIA INFRASTRUCTURE AND  
ECONOMIC DEVELOPMENT BANK**

For the meeting held on  
Tuesday, October 2, 2007 – 2:00 p.m.  
1001 I Street, Second Floor  
Sierra Hearing Room  
Sacramento, California 95814

Chairwoman Evelyn Matteucci called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 2:05 p.m.

**1. Call To Order and Roll Call.**

Evelyn Matteucci represented the Secretary of the Business, Transportation and Housing Agency.

Francisco Lujano represented the State Treasurer.

Scott Harvey represented the Secretary of the State and Consumer Services Agency.

Anne Sheehan represented the Director of the Department of Finance.

D. Everett Rice, Governor's appointee, joined the Board at 2:10 pm.

The following staff members were in attendance: Stan Hazelroth, Roma Cristia-Plant, Barbara Lewis, Diane Cummings, Brooke Bassett, and Shelly Renner.

**2. Executive Director's Report.**

Executive Director Stan Hazelroth gave a report to the Board on the following items:

- A background of the history and current status of the Tribal Gaming Bonds and a timeline of events regarding the future issuance of bonds;
- He recently signed an Inducement Certificate for Prinsco, Inc. Prinsco, Inc. manufactures polyethylene pipe used for storm sewers, culverts, highway drains, and other gravity flow drainage systems;
- The Budget Change Proposal was submitted to the Department of Finance (DOF) and that he and staff had a recent meeting with DOF staff that went well; and
- A previously approved conduit borrower, COPIA: The American Center for Wine, Food and the Arts, had issued a certificate verifying that they were not in bankruptcy at the time the bonds were sold in August, and that according to recent newspaper articles, the Chief Operating Officer was let go to free up additional funding for new revenue-producing programs. He also stated that the news articles indicate hotel and other developments in the area adjacent to COPIA were progressing, which should help business at the COPIA.

**Consent Items:**

**3. Approve minutes from the meeting held on August 21, 2007.**

Chairwoman Matteucci asked if there were any corrections or additions to the minutes. There being none, she entertained a motion to approve the consent item. Ms. Sheehan moved to approve the consent item and Mr. Lujano seconded the motion. The Board approved the consent item with the exception of Mr. Harvey, who abstained.

**Action Items:**

**4. Adopt a resolution approving the sale, issuance and delivery of 501(c)(3) revenue bonds for The J. Paul Getty Trust, or a related party (Los Angeles) for an amount not to exceed \$275,000,000.**

Ms. Lewis presented a staff report and described that tax-exempt bond proceeds for the J. Paul Getty Trust would be used to finance a tender offer for any and all of the \$250 million of outstanding J. Paul Getty Trust Taxable Bonds, Series 2003, and to advance refund any remaining 2003 Taxable Bonds that are not tendered. She indicated that this refinancing is expected to generate a net present value savings of approximately \$70 million, thus lowering the borrowing cost for the Getty Trust and thereby enabling the redirection of the savings to grants and other charitable endeavors. Ms. Lewis introduced Mr. Robert Abeles, Interim Vice President for Finance and Chief Financial Officer, The J. Paul Getty Trust; Mr. Daniel Bhoi, Manager of Finance and Budget, The J. Paul Getty Trust, Mr. Steven Dworkin, Co-Senior Underwriter, Bear Stearns and Co., Inc., and John Myers, Bond Counsel, Orrick Herrington & Sutcliffe LLP.

Responding to a request for questions or comments from those present made by Chairwoman Matteucci, Ms. Sheehan inquired if the Getty was still in litigation over any antiquity issues with Italy or Greece. Mr. Abeles responded that the Getty recently signed an agreement with Italy to return 40 art objects and that matter has been resolved. Mr. Abeles further stated that the Getty was also required to submit three reports to the Attorney General (AG) regarding the use of funds by senior management and that there were no issues resulting from the first report; the second report was sent to the AG on July 31, 2007, and that a response is due at any time, but no major issues are anticipated. The third and final report to the AG is due on January 31, 2008. Mr. Abeles further stated that the Getty has implemented many new operational procedures, and that Deloitte has been retained to audit Getty's operating procedures. Ms. Sheehan was assured by Mr. Abeles that there was no outstanding litigation with regard to foreign governments. Mr. Harvey inquired of Mr. Abeles if the savings generated from the refunding would be used to settle any litigation issues, who responded that the savings from this financing will not being used for that purpose.

Chairwoman Matteucci entertained a motion to approve Resolution No. 07-26. Ms. Sheehan moved to approve the resolution and Mr. Harvey seconded the motion. The Board unanimously approved the resolution.

**5. Adopt resolution approving the sale, issuance and delivery of 501(c)(3) revenue bonds for The Thacher School, or a related party (Ojai) for an amount not to exceed \$12,000,000.**

Ms. Lewis presented a staff report in which she described the project for The Thacher School involves the demolition of two existing dormitory complexes and one faculty residence, construction of one new 32-room dormitory complex, renovation of one dormitory complex, and construction of five new faculty residences. Ms. Lewis introduced Mr. William E. Prather, Business Manager, The Thacher School.

Mr. Harvey, responding to a request for questions or comments from those present made by Chairwoman Matteucci, asked if there is a limit on the amount of time bond proceeds would be available if all required discretionary permits were not in hand at the time of bond closing and how long the Board approval was valid if the necessary discretionary permits were not in hand. Ms. Bassett responded that other bond conditions typically expire before the I-Bank Board Resolution committing financing expires, such as Standby Purchase Agreements. She further explained that if there was ever a situation where the permits were never obtained, the project simply would not go forward. Mr. Prather added that most of the permits were in hand and there was no opposition from the neighbors, and described that permits and approvals normally take from four to six months in Ventura County. Mr. Harvey also thanked Mr. Prather for committing to Leadership in Energy and Environmental Design (LEED®) Green Building standards, consistent with the Governor's Executive Order calling on both the public and private sectors to save 20% of our energy by 2015. Mr. Harvey also requested staff to assess how the LEED standards could be included in I-Bank projects, if at all.

Chairwoman Matteucci entertained a motion to approve Resolution No. 07-27. Ms. Sheehan moved to approve the resolution and Mr. Harvey seconded the motion. The Board unanimously approved the resolution.

**6. Adopt resolution approving the sale, issuance and delivery of 501(c)(3) revenue bonds for Tobinworld, or a related party (Glendale and Brentwood) for an amount not to exceed \$5,050,000.**

Ms. Lewis presented a staff report in which she explained the project involves: (1) the refunding of outstanding Certificates of Participation issued by the California Statewide Communities Development Authority in 2002, the proceeds of which were used to acquire properties located at 900, 912 and 920 East Broadway and 117 Belmont, Glendale; (2) the refunding of an existing taxable bank loan used to fund the acquisition of equipment and make improvements to 880 and 920 East Broadway, Glendale, and (3) financing for improvements and equipment at Tobinworld's second campus at Deer Valley Business Park in Antioch and the main school campus in Glendale. Ms. Lewis introduced Mr. Jake Demestre, Controller, Tobinworld.

Chairwoman. Matteucci asked for any questions or comments from those present, there were none. Chairwoman Matteucci entertained a motion to approve Resolution No. 07-28. Ms. Sheehan moved to approve the resolution and Mr. Harvey seconded the motion. The Board unanimously approved the resolution.

**7. Adopt resolution approving Infrastructure State Revolving Fund (ISRF) Program financing for the County of Marin, Marshall Phase 1 Community Wastewater System Assessment District, in an amount not to exceed \$800,000.**

Ms. Cummings presented a staff report in which she explained that the project involves financing the replacement and/or upgrade to privately-owned septic systems and leachfields, and the construction of a new central community wastewater collection system and common leachfield. Ms. Cummings introduced Ms. Marcia McEwen, Senior Environmental Health Specialist, County of Marin.

Chairwoman. Matteucci asked for any questions or comments from those present. Mr. Harvey questioned the sources of project funding. Ms. Cummings responded that the County worked very diligently to obtain the bulk of the project funding from other resources to leverage the County's equity injection. Ms. McEwen also stated that the County had already contributed a large amount of in-kind staff time to the project and will continue to do so. Chairman Matteucci questioned the difference in funds requested between the amount listed on the agenda and in the resolution. Ms. Cummings clarified that one property owner had paid the full assessment which resulted in a reduction in the loan amount from that shown on the agenda.

Chairwoman Matteucci entertained a motion to approve Resolution No. 07-29. Ms. Sheehan moved to approve the resolution and Mr. Harvey seconded the motion. The Board unanimously approved the resolution.

**Other Business.**

Chairwoman Matteucci called for any other business; there was none.

**Public Comment.**

Chairwoman Matteucci called for any public comment; there was none.

**Adjournment.**

Chairwoman Matteucci entertained a motion to adjourn. Ms. Sheehan moved to approve the resolution and Mr. Harvey seconded the motion. Chairwoman Matteucci adjourned the meeting at approximately 2:40 p.m.